

# SENATE RECORD VOTE ANALYSIS

105th Congress  
1st Session

Vote No. 153

June 27, 1997, 1:54 pm  
Page S-6686 Temp. Record

## TAXPAYER RELIEF ACT/Child Care Tax Provisions

**SUBJECT:** Taxpayer Relief Act of 1997 . . . S. 949. Jeffords motion to waive the Budget Act for the consideration of the Jeffords amendment No. 555.

**ACTION: MOTION REJECTED, 57-42**

**SYNOPSIS:** As reported, S. 949, the Taxpayer Relief Act of 1997, will provide net tax relief of \$76.8 billion over 5 years and \$238 billion over 10 years. The cost will be more than offset by the economic dividend (\$355 billion over 10 years) that will result from balancing the budget in fiscal year (FY) 2002. This bill will enact the largest tax cut since 1981 and the first tax cut since 1986. It will give cradle-to-grave tax relief to Americans: it will give a \$500-per-child tax credit, education tax relief, savings and investment tax relief, retirement tax relief, and estate tax relief. Over the first 5 years, approximately three-fourths of the benefits will go to Americans earning \$75,000 or less. It will eliminate a third of the increased tax burden imposed by the 1993 Clinton tax hike, which was the largest tax hike in history.

**The Jeffords amendment** would make several dependent care tax credit changes. First, it would expand the dependent care tax credit, but only for care given by child care centers and child care professionals "accredited or credentialed" by a State-recognized credentialing or accrediting entity. Such an entity could be a public or private nonprofit agency. Accreditation or credentialing would have to be based on the following: peer-validated research; compliance with State and local licensing requirements, or Federal standards as appropriate; outside monitoring of the child care center or individual; and compliance with criteria to provide assurance of age-appropriate health and safety standards, age-appropriate developmental and educational activities, and ongoing staff development or training activities, including related skills-based testing. The credit would be "refundable" for low-income taxpayers (meaning that they could take the full amount of the credit even if they did not have any income tax liability). Employers would be required to provide ratably advance payments on this credit. Second, the amendment would expand the dependent care assistance program, but only for accredited child care centers and credentialed child care professionals as defined above. Third, the Federal Government would establish and maintain a dependent care assistance program for its employees. Fourth, a credit would be given

(See other side)

YEAS (57)			NAYS (42)			NOT VOTING (1)	
Republicans (15 or 27%)	Democrats (42 or 95%)		Republicans (40 or 73%)	Democrats (2 or 5%)		Republicans (0)	Democrats (1)
Allard	Akaka	Johnson	Abraham	Hatch	Byrd		Hollings- <sup>2</sup>
Campbell	Baucus	Kennedy	Ashcroft	Helms	Moynihan		
Chafee	Biden	Kerrey	Bennett	Hutchinson			
Coverdell	Bingaman	Kerry	Bond	Inhofe			
D'Amato	Boxer	Kohl	Brownback	Kempthorne			
Enzi	Breaux	Landrieu	Burns	Kyl			
Hutchison	Bryan	Lautenberg	Coats	Lott			
Jeffords	Bumpers	Leahy	Cochran	Lugar			
Mack	Cleland	Levin	Collins	McCain			
Roberts	Conrad	Lieberman	Craig	McConnell			
Smith, Gordon	Daschle	Mikulski	DeWine	Murkowski			
Snowe	Dodd	Moseley-Braun	Domenici	Nickles			
Specter	Dorgan	Murray	Faircloth	Roth			
Stevens	Durbin	Reed	Frist	Santorum			
Warner	Feingold	Reid	Gorton	Sessions			
	Feinstein	Robb	Gramm	Shelby			
	Ford	Rockefeller	Grams	Smith, Bob			
	Glenn	Sarbanes	Grassley	Thomas			
	Graham	Torricelli	Gregg	Thompson			
	Harkin	Wellstone	Hagel	Thurmond			
	Inouye	Wyden					

### EXPLANATION OF ABSENCE:

1—Official Business  
2—Necessarily Absent  
3—Illness  
4—Other

### SYMBOLS:

AY—Announced Yea  
AN—Announced Nay  
PY—Paired Yea  
PN—Paired Nay

to employers for constructing on-site child care facilities. Fifth, tax deductions could be taken for charitable contributions of scientific equipment to accredited and credentialed child care centers and professionals. Sixth, the 2-percent floor on miscellaneous itemized deductions would not apply to accreditation and credentialing expenses of individual child care providers. Seventh, home office's could be used for dependent care.

The amendment was offered after all debate time had expired. However, some debate occurred prior to the offering of the amendment, and, by unanimous consent, some debate was permitted after it was offered. Following debate, Senator Roth raised a point of order that the amendment violated section 305(b)(2) of the Budget Act. Senator Jeffords then moved to waive the Budget Act for the consideration of the amendment. Generally, those favoring the motion to waive favored the amendment; those opposing the motion to waive opposed the amendment.

NOTE: A three-fifths majority (60) vote is required to waive the Budget Act. After the failure of the motion to waive, the point of order was sustained and the amendment thus fell.

**Those favoring the motion to waive contended:**

This amendment would give child care centers and individual providers tax incentives to improve their services. It would also enact tax incentives to make better child care more affordable for all parents. Numerous studies have shown that in children's first 3 years it is absolutely critical that they receive the proper nurturing and care in order for their brains to develop appropriately for later learning. Obviously, the best caretakers of children are loving parents, but in many cases parents simply cannot give that care because they must work to support their children. Those children must then receive alternate care. This amendment is an attempt to improve that alternate care, which is certainly in need of improvement. In one study, 40 percent of child care centers were found to have health conditions that were potentially injurious to infants, 15 percent of child care centers were found to be so bad that they threatened the health and safety of preschoolers, and 70 percent of all child care centers were rated as mediocre.

We know that many of our colleagues are concerned that most of the benefits under this amendment would only be given to child care professionals or centers that were certified or accredited. Their fear is that this limitation would discriminate against home daycare. We understand their concern, but we believe that home daycare providers would be able to receive accreditation under this amendment. We have gone a long way to meet our colleagues' concerns: Federal standards would not be set, and private nonprofit organizations could be involved in determining accreditation. Religious and nonprofit groups, in fact, helped us draft the requirements to make certain that they were not burdensome. We agree that home-based care can provide quality care, and we favor tax breaks for home-based care that meets high standards.

In the past several years, Congress has greatly expanded Federal child care assistance. More still needs to be done. The Jeffords amendment would provide much of the additional aid that is still needed, particularly to improve the quality of child care. We urge Senators to waive the Budget Act for its consideration.

**Those opposing the motion to waive contended:**

We strongly favor making improvements in the quality of child care in America. However, we are very troubled that this amendment would give tax credits based on an accreditation agency's, rather than a parent's, determination of the suitability of a particular child care setting. We are particularly concerned that this amendment would discriminate in favor of large, institutional settings. Most children are not in such settings. Most are taken care of by relatives or are in home daycares. Should we really structure the tax code to try to force children into Brave-New-World children factories? Our colleagues mentioned that the most important factors in a child's early development are nurturing and caring. Nurturing and caring do not come from flash cards, computer training, or any of the other trimmings of the most expensive daycares. A grandmother who never completed any training courses in child care, and who may not even know how to read, is usually going to be a much better and more loving caregiver. Grandma's house might not come up to the health and safety standards set by an accrediting agency, but under her watchful eye her grandchildren will be perfectly safe. Our colleagues have their studies on the safety of child care centers; we notice they do not mention that studies also show that children are at a much higher risk of infection, illness, and accidents at institutional daycare centers than they are when they are taken care of in relatives' or neighbors' homes. We hope that we will be able to work this issue out in conference. We do not want to approve a tax credit that would discriminate against the type of child care that most parents prefer, and that in many cases has been shown by objective studies to be superior care. For now, we must urge our colleagues to vote against the motion to waive the Budget Act, and to then join us in devising a better solution.